



NEWS RELEASE

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For immediate release

**DIRECTCASH PAYMENTS INC. ANNOUNCES RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2011**

**Calgary, Alberta** – DirectCash Payments Inc. ("DirectCash" or the "Corporation") today announced consolidated financial results for the three and nine months ended September 30, 2011. DCPayments's consolidated financial statements for the three and nine months ended September 30, 2011 and Management's Discussion & Analysis, as well as additional information about the Corporation are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

**Q3 2011 Financial and Operational Highlights compared Q3 2010:**

- Increased EBITDA 6% to \$9.9 million
- Increased Gross Profits 10% to \$15.0 million
- Reduced funds from operations payout ratio to 54% from 61%
- Increased ATM network bringing the total number of active ATMs to 7,848

**Management's Commentary**

"We continue to be pleased with our business' ability to continually generate consistent contracted revenue growth and dividends for our shareholders" said Jeffrey Smith, DirectCash's President and Chief Executive Officer. The primary drivers for the improvements over the prior year period are the contributions from the acquisitions completed and new bank product offerings during 2010. Consistent performance and strong growth has been seen throughout all of DirectCash's lines of business.

DirectCash will continue to pursue growth through additional accretive acquisitions as opportunities arise. DirectCash's stable, contracted revenue stream and dominant market positions will continue to provide consistent cash dividends to DirectCash's Shareholders. DirectCash continues to focus on its Canadian and Mexican operations, and consider new geographic markets to add to recurring services revenue growth and gross profit margins.

**Conversion Completion**

The Fund successfully completed a previously announced plan of arrangement under the *Business Corporations Act* (Alberta) pursuant to which the Fund was converted from an income trust to a dividend paying corporation operating under the name "DirectCash Payments Inc."

Beginning after January 1, 2011 (starting with the January 31, 2011 record date), Shareholders of DCPayments have received monthly payments in the form of dividends, with the initial monthly dividend set at \$0.115 per Common Share.

### International Financial Reporting Standards

Results are reported in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”) for the period ended September 30, 2011.

For reconciliations of equity and total comprehensive income for comparative periods and of equity at the date of transition reported under previous Canadian GAAP to those reported for those periods and at the date of transition under IFRS see the notes to the Q3 2011 Financial Statements available for download from [www.SEDAR.com](http://www.SEDAR.com).

### Results of Operations for the three and nine months ended September 30, 2011:

	Three months ended September 30		Nine months ended September 30	
	2011	2010	2011	2010
<b>Number of machines</b>				
ATM terminals - active <sup>1</sup>	7,848	7,386	7,848	7,386
Debit terminals - active <sup>1</sup>	3,410	3,293	3,410	3,293
<b>Number of transactions</b>				
ATM transactions	9,013,934	8,694,286	25,998,143	23,642,596
Debit terminal transactions	3,030,270	2,995,133	8,543,080	8,492,075
Prepaid cash card activations	746,505	783,236	2,299,459	2,429,012
Prepaid cash card transactions	1,811,943	1,822,668	5,876,364	5,660,808

<sup>1</sup>DirectCash has included statistics only for sites that recorded a transaction in the last calendar month of the period indicated.

Compared to the prior year period, the number of active ATMs increased by 462. The net increase is primarily a result of an acquisition which occurred during the fourth quarter of 2010. Additional growth can be attributed to some organic growth in Canada and additional ATMs placed in Mexico.

ATM transactions increased during the three and nine months ended September 30, 2011 compared to the prior year due to the increased number of ATMs deployed. Based on statistics provided by Interac, ATM transactions in the Canadian industry as a whole continued their historical decline on a per ATM basis (this results from a combination of a decrease in total transactions and an increase in the number of ATMs that the total transactions are spread among). On an industry wide basis, as more ATMs have been added to the Canadian marketplace there has been no corresponding increase in overall industry transactions. DirectCash’s prepaid products business and entrance into new geographic markets are offsetting this effect on DirectCash’s business.

DirectCash’s goal in the ATM business is to continue to maintain existing customer relationships, add sites and grow aggregate transactions through accretive acquisitions and to maximize site profitability through cost and quality control. In addition, DirectCash is considering new geographic markets, to add to recurring services revenue growth and gross profit margins.

On a year over year basis, the number of active debit terminals has increased by 117 due primarily to organic growth. Debit terminal transactions are relatively flat for the three and nine months ended September 30, 2011. DirectCash continues to pursue organic growth in this business segment and to grow market share by providing retailers with unique products and services to enhance the business viability of the debit terminal for the retailer.

Prepaid card activations declined by 5% for the three and nine months ended September 30, 2011 compared to the prior year period. Notwithstanding the decline in activations, gross profit increased in this line of business due to the addition of new products, including the bank account product offered through DirectCash's strategic alliance with DC Bank and one of DirectCash's significant customers. The MasterCard prepaid card program continues to find traction and displace some debit card activations.

The decline in prepaid card transaction for the three months ended September 30, 2011 is due to a promotion held by one of DirectCash's significant customers during the prior year period. The increase in prepaid card transactions for the nine months ended September 30, 2011 is due to growth within existing customer relationships, as prepaid products continue to gain customer acceptance and confidence. Activation and transaction volume figures include both prepaid debit and prepaid credit cards.

The following table presents a summary of the DCPayments' selected consolidated financial information for the three and nine months ended September 30, 2011 and 2010:

### Financial Highlights

<i>(thousands)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2011	2010	2011	2010
<b>Revenues</b>				
Recurring services revenue	23,936	23,764	71,254	67,059
Products revenue	4,483	5,465	15,040	15,653
Interest income	47	44	165	64
<b>Total revenue</b>	<b>28,466</b>	<b>29,273</b>	<b>86,459</b>	<b>82,776</b>
<b>Gross Profit</b>				
Recurring services and interest	\$ 14,368	\$ 13,134	\$ 41,279	\$ 37,067
<i>Gross profit margin</i>	<i>59.9%</i>	<i>55.2%</i>	<i>57.8%</i>	<i>55.2%</i>
Products	592	521	1,806	1,265
<i>Gross profit margin</i>	<i>13.2%</i>	<i>9.5%</i>	<i>12.0%</i>	<i>8.1%</i>
<b>Total gross profit</b>	<b>\$ 14,960</b>	<b>\$ 13,655</b>	<b>\$ 43,085</b>	<b>\$ 38,332</b>
<i>Total gross profit margin</i>	<i>52.6%</i>	<i>46.6%</i>	<i>49.8%</i>	<i>46.3%</i>
<b>Operating Expenses &amp; Net Finance costs:</b>				
Personnel expenses	2,763	2,277	8,165	6,333
Long-term incentive plan	453	513	1,116	1,279
Other expenses	1,813	1,475	5,170	4,212
Purchase gain on acquisition	-	-	-	(4,238)
Depreciation of property and equipment	1,215	918	3,568	2,479
Amortization of intangible assets	2,741	2,538	8,359	6,704
Finance costs	430	499	1,244	1,076
Distributions on Exchangeable partnership units	-	1,431	-	5,008
Net change in fair value of exchangeable partnership units	-	13,251	-	16,873
Unrealized loss on foreign exchange	(4)	3	(3)	35
	9,411	22,905	27,619	39,763
<b>Net Income (loss) before Income taxes</b>	<b>\$ 5,549</b>	<b>\$ (9,250)</b>	<b>\$ 15,466</b>	<b>\$ (1,430)</b>
Income taxes - Current	723	54	795	160
Deferred income tax	447	319	2,898	(668)
<b>Net Income (loss)</b>	<b>\$ 4,379</b>	<b>\$ (9,623)</b>	<b>\$ 11,772</b>	<b>\$ (922)</b>
<i>Net income per share, basic</i>	<i>0.32</i>	<i>(1.14)</i>	<i>0.86</i>	<i>(0.12)</i>
<i>Net income per share, diluted</i>	<i>0.32</i>	<i>(1.13)</i>	<i>0.85</i>	<i>(0.11)</i>
<b>Add back:</b>				
Finance costs	430	499	1,244	1,076
Distributions on Exchangeable partnership units	-	1,431	-	5,008
Net change in fair value of exchangeable partnership units	-	13,251	-	16,873
Purchase gain on acquisition	-	-	-	(4,238)
Depreciation of equipment	1,215	918	3,568	2,479
Amortization of intangible assets	2,741	2,538	8,359	6,704
Income taxes - Current	723	54	795	160
Deferred income tax	447	319	2,898	(668)
<b>EBITDA</b>	<b>\$ 9,935</b>	<b>\$ 9,387</b>	<b>\$ 28,637</b>	<b>\$ 26,473</b>
<i>EBITDA margin</i>	<i>34.9%</i>	<i>32.1%</i>	<i>33.1%</i>	<i>32.0%</i>
Total assets	\$ 157,774	\$ 155,381	\$ 157,774	\$ 155,381
Total debt	41,703	38,290	41,703	38,290
Total debt net of cash	(7,048)	2,045	(7,048)	2,045

## Revenue

On an aggregate basis, revenues have increased by 4% for the nine months ended September 30, 2011, as compared to the prior year period. Revenue by line of business, which includes both recurring services and products revenue, is as follows:

<b>Revenue by Line of Business</b>				
(thousands)	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
ATM Business	\$ 13,660	\$ 12,376	\$ 39,954	\$ 32,992
Prepaid products business	14,334	16,363	45,008	48,172
Debit terminal business	472	534	1,497	1,612
<b>Total Revenue</b>	<b>\$ 28,466</b>	<b>\$ 29,273</b>	<b>\$ 86,459</b>	<b>\$ 82,776</b>

  

<b>Revenue by type</b>				
	<b>Three months ended</b>		<b>Nine months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
Recurring services	\$ 23,936	\$ 23,764	\$ 71,254	\$ 67,059
Products	4,483	5,465	15,040	15,653
Interest	47	44	166	64
<b>Total Revenue</b>	<b>\$ 28,466</b>	<b>\$ 29,273</b>	<b>\$ 86,459</b>	<b>\$ 82,776</b>

### **Revenue – Recurring Services**

Recurring services revenue relates to revenue earned from transaction processing activities, including DirectCash's ATM, debit terminal and prepaid product lines of business.

The increase of 6% over 2010 in recurring services revenue is primarily attributable to the ATM line of business. The increase in ATM recurring services revenue can be attributed to the revenues generated from the increased number of ATMs deployed and acquisitions made throughout 2010.

The decrease in prepaid products revenue comes primarily from the sale of low margin prepaid cellular and long distance airtime products. Additionally contributing to the decrease was the decline in prepaid card activations, which can be attributed to regulations in the payday loan industry, in which DirectCash has a significant customer, that restrict the number of consecutive loans a customer can be issued. Notwithstanding the decline in activations, gross profit increased in this line of business due to the addition of new banking products and services offered through DirectCash's strategic alliance with DC Bank.

On a year over year basis, revenue in the ATM business has increased by 21%. ATM revenues include the revenue from the sale of ATM machines and parts, processing ATM transactions as well as miscellaneous revenues and interest received.

The 7% decrease in debit terminal revenue for the nine months ended September 30, 2011 is a result of higher per transaction revenues and one time contract fees collected during 2010.

There is historic seasonality in processing transaction volumes, with the highest ATM transaction activity in Canada typically occurring in the second and third quarters of the year. The first and fourth quarters are traditionally DirectCash's weakest quarters in terms of processing transactions and gross profitability. In Mexico, seasonality in the

ATM business is the opposite of what is seen from DirectCash's Canadian operations. DirectCash has eliminated the impact of seasonal fluctuations in cash flows to Shareholders by equalizing monthly cash dividends. This seasonality is considered when determining levels of available cash at the end of each reporting period.

***Revenue – Products***

Product revenue includes sales of ATM machines, debit terminals and related parts, as well as prepaid products, consisting of (a) prepaid cash cards (debit and credit) and (b) prepaid telephone cards (both physical (“hard cards”) and electronic (“virtual vouchers”)).

For the three and nine months ended September 30, 2011 revenue from product sales decreased by 18% and 4% respectively compared to the prior year period. The decrease is primarily due to a decline in the sale of prepaid cash cards and a decline in the sale of telephone cards offset by an increase in ATM products. The decrease in the sale of prepaid cash cards is a result of timing of sales, as customers order intermittently in large quantities to benefit from volume discounts.

ATM and debit terminal sales were up due to existing customer purchases of new terminals that meet industry standards.

***Interest Income***

During the nine months ended September 30, 2011 interest income increased significantly compared to the prior year period primarily as a result of the renegotiation of DirectCash's agreement with its bank in Mexico regarding funds held in relation to cash requirements for Mexican operations.

## Gross Profits

In total, gross profits have increased by 10% and 12% respectively for the three and nine months ended September 30, 2011, as compared to the same period last year. Gross profit by line of business, which includes both recurring services and products revenue, is as follows:

<b>Gross profit by Line of Business</b>				
(thousands)	<b>Three months ended September 30</b>		<b>Nine months ended September 30</b>	
	<b>2011</b>	2010	<b>2011</b>	2010
ATM Business	\$ 7,753	\$ 7,047	\$ 22,127	\$ 18,897
<i>gross profit margin</i>	<b>56.8%</b>	56.9%	<b>55.4%</b>	57.3%
Prepaid products business	<b>6,840</b>	6,180	<b>19,789</b>	18,179
<i>gross profit margin</i>	<b>47.7%</b>	37.8%	<b>44.0%</b>	37.7%
Debit terminal business	<b>367</b>	428	<b>1,169</b>	1,256
<i>gross profit margin</i>	<b>77.7%</b>	80.2%	<b>78.1%</b>	77.9%
Total Gross Profit	\$ 14,960	\$ 13,655	\$ 43,085	\$ 38,332
<i>gross profit margin</i>	<b>52.6%</b>	46.6%	<b>49.8%</b>	46.3%
<b>Gross profit by type</b>				
Recurring services and interest	\$ 14,368	\$ 13,134	\$ 41,279	\$ 37,067
<i>gross profit margin</i>	<b>59.9%</b>	55.2%	<b>57.8%</b>	55.2%
Products	<b>592</b>	521	<b>1,806</b>	1,265
<i>gross profit margin</i>	<b>13.2%</b>	9.5%	<b>12.0%</b>	8.1%
Total Gross Profit	\$ 14,960	\$ 13,655	\$ 43,085	\$ 38,332
<i>gross profit margin</i>	<b>52.6%</b>	46.6%	<b>49.8%</b>	46.3%

## Gross Profitability – Recurring Services

Total gross profits from recurring services revenue and interest income for the three and nine months ended September 30, 2011 increased by 9% and 11% respectively over the prior year.

The increase in gross profits for recurring services can be attributed to the following factors:

- (a) fees associated with bank accounts and related products offered by DirectCash Bank to prepaid customers;
- (b) higher activity in prepaid credit card transactions, and;
- (c) the impact of the ATM acquisitions made during 2010.

On a year over year comparison, gross profit margins were higher during the three and nine months ended September 30, 2011.

The debit terminal recurring services gross margins declined during the nine months ended September 30, 2011 as compared to the prior year as a result of one time contract fees collected during 2010.

The introduction of bank accounts and associated products, as well as the increase in transaction levels and improved performance from the prepaid credit card product in the

prepaid products line of business resulted in the increase in contribution from the recurring services business segment.

### **Gross Profitability - Products**

Gross profit from the sale of products for the three and nine months ended September 30, 2011 increased by 14% and 43% respectively from 2010 levels. The increase can be explained primarily by higher margin contributions on the sale of prepaid cash cards and ATMs. The sale of ATMs has increased, as existing customers purchase new equipment that meets industry standards.

DirectCash has a strategic goal of keeping ATM and debit terminal purchase prices as low as possible for the DirectCash customer in order to maximize the number of machines that can be placed. DirectCash also introduced financing options that enables customers to pay for machines and security upgrades over a period of time. DirectCash believes that this strategy will result in additional long-term revenue generating services contracts.

### **Selling, General & Administrative Expenses (“SG&A”)**

SG&A is made up of personnel and other expenses. For the three and nine months ended September 30, 2011 SG&A expenses increased by 22% and 26% respectively from the prior year.

The increase is the result of higher salaries and benefits incurred from the addition of some key staff members brought on to assist in DirectCash’s growth and implementation of network upgrades, as well as additional fees associated with compliance related to Anti-Money Laundering and to the bank account product offered through DirectCash’s strategic alliance with DirectCash Bank.

As a percentage of gross profits, SG&A was 31% (YTD – 31%) during the three months ended September 30, 2011 compared to 27% (YTD – 28%) for the same period last year.

### **Long-term incentive plan (“LTIP”)**

Details of the Long-term incentive plan can be found in the notes to the financial statements.

The base threshold is \$1.99 per Common Share of “Distributable Cash Flow” as defined under the “LTIP Agreement”, effective from January 1, 2011.

### **Finance Costs**

For the nine months ended September 30, 2011 finance costs increased by 16% over the prior year period. The increase is primarily due to increased ATM vault cash requirements incurred as part of the acquisitions made during 2010 and additional ATMs deployed.

All DirectCash debt is currently on floating interest rates. A one percent change in interest rates would result in an approximate \$112 thousand change in finance costs for the period.

**Net Income**

Net income for the three and nine months ended September 30, 2011 increased by 146% and 1377% respectively compared to the prior year period.

The increase in net income during the quarter ended September 30, 2011 compared to the prior year period is primarily attributable to improved gross profits and the additional effects of the transition to IFRS, including distributions on and the net change in fair value of exchangeable partnership units.

The increase in net income during the nine months ended September 30, 2011 can be attributed to the following factors:

- (a) \$2.9 million in deferred income tax during the nine months ended September 30, 2011;
- (b) \$4.2 million purchase gain on acquisition incurred during the first quarter of 2010, and;
- (c) the additional effects of the transition to IFRS, including distributions on and the net change in fair value of exchangeable partnership units.

The disparity between net income and cash dividends is primarily due to amortization of intangible assets related to ATM, debit terminal and prepaid product contracts. Typically, these contracts include automatic renewals for a further 5-7 year period, and a right of first refusal to match a competitor's bona fide offer on renewal unless the customer terminates the contract within a specified time period. Thus, while a contract acquired by DirectCash may have a fixed initial term (which is the time period over which amortization of this intangible asset occurs) DirectCash's experience is that DirectCash is usually able to keep the applicable ATMs attached to the DirectCash network with no or little capital expenditure. Also, any ATM added by organic growth (i.e. through the DirectCash sales force) has a much lower capital cost than ATM locations added through acquisition.

**EBITDA**

For the three and nine months ended September 30, 2011, EBITDA increased by 6% and 8% respectively over prior year levels, which is lower than the respective 10% and 12% increases in gross profits. This reflects the higher gross profit contributions offset in part by the higher SG&A costs. As a percentage of revenue, EBITDA was 35% and 33% respectively during the three and nine months ended September 30, 2011 as compared to 32% during the prior year periods. The increase during the quarter ended September 30, 2011 as compared to the prior year is a result of improved gross profit margins in the prepaid products line of business partially offset by increased overhead expenses, as staff support has increased with respect to development and compliance associated with the bank account product offered through DirectCash's strategic alliance with DC Bank.

For comparative purposes, the \$4.2 million purchase gain was eliminated from DCPayments' EBITDA calculations due to its non-recurring nature.

## Capital Expenditures

DirectCash incurred the following expenditures of a capital nature:

	Three months ended		Nine months ended	
	September 30		September 30	
	2011	2010	2011	2010
<b>Per consolidated financial statements:</b>				
Equipment	\$ 641	\$ 1,117	\$ 3,765	\$ 3,214
Intangible assets	61	255	121	2,935
Acquisitions	-	15,918	-	16,668
	<b>\$ 702</b>	<b>\$ 17,290</b>	<b>\$ 3,886</b>	<b>\$ 22,817</b>
<b>Split between growth and maintenance:</b>				
Growth capital	\$ 325	\$ 16,676	\$ 2,337	\$ 21,035
Maintenance capital	377	614	1,549	1,782
	<b>\$ 702</b>	<b>\$ 17,290</b>	<b>\$ 3,886</b>	<b>\$ 22,817</b>

Growth capital expenditures relate to acquisitions and other expenditures that increase DirectCash's productive capacity, while maintenance capital expenditures maintain productive capacity at existing levels.

Productive capital maintenance expenditures for the nine months ended September 30, 2011 are relatively flat as compared to the prior year period. Growth capital expenditures can vary widely between reporting periods due to the intermittent nature and varying size of acquisitions.

## Liquidity and Capital Resources

DirectCash believes that the funds generated from operations will be sufficient to allow DirectCash to meet ongoing requirements for working capital, maintenance capital expenditures including investments in technology capital, interest expense, and cash dividends to Shareholders.

DirectCash's actual cash generated from operations will be dependent upon future financial performance, which in turn will be subject to financial, tax, business and other factors.

As of September 30, 2011, DirectCash utilized approximately \$42 million of total available credit facilities of \$100 million. A summary of DirectCash's available credit at September 30, 2011 is as follows:

<b>Credit facilities</b>	<b>Utilized</b>	<b>Limit</b>	<b>Available</b>
<i>(thousands)</i>			
Revolving credit facility	\$ 10,331	\$ 60,000	\$ 49,669
Acquisition credit facility	31,373	40,000	8,627
	<b>\$ 41,704</b>	<b>\$ 100,000</b>	<b>\$ 58,296</b>

The revolving credit facility is used for ATM cash loading, working capital requirements and commercial letters of credit. In addition, DirectCash has an outstanding letter of

credit in favour of MasterCard International of US\$ 2.5 million (CDN\$ 2.4 million) relating to DCPayments' prepaid MasterCard program. This credit facility is demand in nature and bears interest at the Bank's prime lending rate plus 0.375%.

The acquisition credit facility is demand in nature and is utilized for the acquisition of additional ATM and Debit Terminal network and Prepaid Product assets, and general corporate acquisitions in complimentary business lines. The facility bears interest at the Bank's prime lending rate plus 0.375% or at banker's acceptance rates plus 1.875% per annum.

Notwithstanding the demand nature of the facilities, there are no scheduled principal repayments.

DirectCash is subject to the following primary lending covenants:

<b>Lending covenants</b>	<b>September 30</b>	<b>Covenant Limit</b>
Funded Debt to Recurring Quarterly Revenue	1.9:1	< 10:1
Fixed Charge Cover Ratio	23.7:1	> 4:1
Senior Debt to EBITDA	1.0:1	< 2:1

DirectCash operated well within its loan covenant limits and anticipates continuing to do so in the future. Breach of DirectCash's bank loan covenants could result in the triggering of remedies by DirectCash's lenders, which could negatively impact distribution payments.

#### **Additional Information**

Additional information about DirectCash, including DirectCash's Annual Information Form and other public filings is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on DirectCash's website ([www.directcash.net](http://www.directcash.net)).

#### **Non-IFRS Measures**

There are a number of financial calculations that are not defined performance measurements under IFRS but which DCPayments believes are useful and accepted performance measurements utilized by the investing public in assessing the overall financial performance of corporations.

#### ***Earnings before interest, taxes, depreciation and amortization ("EBITDA")***

EBITDA represents gross profits less selling, general and administrative expenses ("SG&A") and long-term incentive plan expenses, and is not a defined performance measure under IFRS. DCPayments believes that EBITDA is a useful supplementary disclosure commonly used by the investing community to assess and compare cash flows between entities. EBITDA specifically excludes depreciation, amortization, income taxes, purchase gain on acquisition, finance expense and IFRS changes related to exchangeable partnership units. DCPayments EBITDA may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to EBITDA as reported by such issuers. The most directly comparable IFRS measure is Net Income. A reconciliation between EBITDA and Net Income is disclosed in the "Financial Highlights" schedule later on.

### ***Funds from operations and funds from operations per share***

Funds from operations and funds from operations per unit are non-IFRS measures used by DCPayments as an indicator of financial performance. Readers are cautioned that funds from operations is not a defined performance measure under IFRS and that funds from operations cannot be assured to continue at equivalent levels in the future. DCPayments calculates funds from operations as equal to the net cash from operating activities before changes in non-cash working capital, after provision for productive capital maintenance capital expenditures (see discussion below). DCPayments' funds from operations and funds from operations per share may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to funds from operations and funds from operations per common share as reported by such issuers.

Up until January 1, 2011, Unitholders of the Fund received cash distributions sourced from distributions made by DirectCash LP indirectly to the Fund. The Fund's policy was to distribute, to the maximum extent possible, the cash earned from operations to Fund Unitholders, less amounts estimated to be required for expenses, productive capital maintenance, cash redemptions or repurchases of Units, any current tax liability, or other obligations, debt repayments and any reasonable reserves established. The Fund made monthly cash distributions to Unitholders on the last business day of each month to Unitholders of record on the last business day of the preceding month.

From August 2006 to January 1, 2011, monthly distributions were paid at \$0.115 per Unit per month (\$1.38 per Unit annualized) and special distributions of \$0.120 per Unit, \$0.100 per Unit and \$0.250 per Unit were paid December 31, 2009, June 30, 2010 and February 28, 2011 respectively.

Beginning after January 1, 2011 (starting with the January 31, 2011 record date), Shareholders of DCPayments have received monthly payments in the form of dividends, with the initial monthly dividend set at \$0.115 per Common Share. All dividends are eligible dividends for the purpose of the *Income Tax Act* (Canada) unless indicated otherwise. Dividends are funded from cash flows generated by the operation of the business. As of January 1, 2011, all of the income generated at the level of the various subsidiaries within the DirectCash Group income is taxable by applicable government authorities with the remaining after-tax funds either being retained by the subsidiary or distributed/dividended up to DCPayments (where it can be made available for payment of dividends by DCPayments). Continued future distribution of dividends (and the amount of any dividends) is subject to DCPayments' Board of Directors approval. DCPayments' Board of Directors is not obligated to distribute all net available cash as dividends to shareholders.

### ***Productive capital maintenance expenditures***

DCPayments differentiates capital expenditures between growth and productive capital maintenance ("Maintenance Capital"). There is no such distinction under IFRS. However, DCPayments believes it is important to differentiate between them as maintenance capital expenditures represent a discretionary adjustment to distributable cash flow while growth capital does not.

Maintenance capital expenditures are defined as expenditures required to service and maintain DirectCash's existing productive capacity, while growth capital is expended to increase DirectCash's productive capacity by adding additional sources of revenue not

currently in existence. Current measures of productive capacity that DCPayments utilizes include ATMs and debit terminals under contract (see “Operational Highlights”), software and hardware upgrades to existing infrastructure, ATM and debit terminal equipment upgrades necessary to meet changing regulatory requirements, contract extension incentives, and fleet vehicle purchases and upgrades, are some examples of maintenance capital expenditures. Examples of growth capital expenditures include the acquisition of a competitor’s assets, the cost of an ATM in a new location, or technology costs related to new sources of revenue.

Readers are cautioned that productive capital maintenance expenditure is not a defined performance measure under IFRS. DCPayments computation of productive maintenance capital expenditure may differ from similar computations as reported by other issuers and, accordingly, may not be comparable to maintenance capital expenditures as reported by such issuers.

***Non-cash working capital***

Non-cash working capital is not a defined IFRS measure. DCPayments calculates non-cash working capital as current assets less current liabilities, but excluding cash and credit facilities. A summary of this calculation is provided in the MD&A.

**Forward-looking Statements**

This Press Release contains certain forward-looking statements relating to future events. Forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond DirectCash Group’s ability to control, including the impact to DirectCash Group’s business, general economic conditions, consumer spending, borrowing trends and regulatory changes to name a few. Certain statements that contain words such as “could”, “believe”, “expects”, “expected”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words relating to matters that are not historical facts constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. In particular, forward-looking information and statements contained in this Press Release include statements related to DirectCash’s projected growth in Canada and Mexico in the ATM business, projected growth in the prepaid and debit terminal business, accretive acquisitions on a go forward basis, expansion of DirectCash’s merchant base through new and innovative products, entry into new geographic markets, ability to continue to acquire long-term recurring services contracts and expected increase in capital expenditures due to regulatory mandated security upgrade changes are all statements that have been stated or referred to throughout this Press Release. Readers are cautioned that actual results may vary from the forward-looking information provided.

Additional information about DCPayments is available on SEDAR ([www.sedar.com](http://www.sedar.com)) or DCPayments website at [www.directcash.net](http://www.directcash.net).

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